

Message Text

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APPROVED BY E:WJCASEY

S/S - MR. GAMMON

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FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS

UNCLAS STATE 158487

INFORM CONSULS

E.O. 11652:N/A

TAGS: ETRD

SUBJECT: ROLE AND OBJECTIVES OF EX-IM BANK

FOR ECONOMIC AND COMMERCIAL COUNSELORS FROM UNDER
SECRETARY CASEY

1. I THINK THE FOLLOWING MESSAGE FROM HENRY KEARNS,
PRESIDENT AND CHAIRMAN OF THE EXPORT-IMPORT BANK, SHOULD
BE OF HELP TO YOU IN YOUR WORK. IT SHOULD ALSO BE OF
INTEREST TO CHIEFS OF MISSION, PRINCIPAL OFFICERS, CHIEFS
OF SECTIONS AND ALL OTHERS INVOLVED IN ECONOMIC AND
COMMERCIAL WORK. SECRETARY ROGERS HAS EXPRESSED DEPART-
MENT'S INTEREST IN IMPROVING OUR COMMERCIAL SERVICES AND
OUR WORK WITH EX-IM IS AN IMPORTANT PART OF THIS EFFORT:

QUOTE DURING THE PAST FOUR YEARS IT HAS BEEN MY PRIVILEGE
TO OBSERVE THE INCREASINGLY EFFECTIVE SUPPORT THAT THE
UNITED STATES FOREIGN SERVICE IS RENDERING TO AMERICA'S
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INTERNATIONAL TRADE- THE SPECIAL EFFORTS THAT ARE MADE

TO ASSIST EXIMBANK IN ITS ACTIVITIES AND TO PROCEED IN PARTNERSHIP WITH EXIMBANK IN STRENGTHENING THE REPRESENTATION OF U.S. BUSINESS ARE AN EVERY INCREASING FACTOR IN OUR TRADE EXPANSION. THE FACILITIES AND SERVICES OFFERED BY EXIMBANK ARE OF LITTLE VALUE UNLESS THEY CAN BE EFFECTIVELY PRESENTED TO POTENTIAL PURCHASERS ABROAD AND SUPPLIERS FROM THE UNITED STATES. IT IS INDEED PROPER, IN MY OPINION, THAT EXIMBANK SHOULD MEANINGFULLY FURTHER U.S. COMMERCIAL INTERESTS, AND WE ARE INDEED GRATEFUL THAT THE FOREIGN SERVICE IS INCREASINGLY HELPFUL IN SUPPORTING OUR OPERATIONS.

FROM TIME TO TIME MISUNDERSTANDINGS OCCUR REGARDING THE PROPER ROLE AND OBJECTIVES OF EXIMBANK. FOR EXAMPLE, THE CHARTER UNDER WHICH THE BANK OPERATES CLEARLY SETS FORTH OUR OBJECTIVES AS THAT OF ASSISTING IN ACHIEVING EXPORTS BUT WITH A REASONABLE ASSURANCE THAT THE BUYERS WILL REPAY. FOR THIS REASON, EXIMBANK CANNOT FULLY ACT AS A SUBSTITUTE FOR "ASSISTANCE" IN THE CLASSIC TERMS.

THREE CRITERIA ARE APPLIED IN THE CONSIDERATION OF ANY TRANSACTION IN WHICH EXIMBANK IS REQUESTED TO PARTICIPATE:

A. IT IS CONFINED TO FINANCING OF EXPORTS FROM OUR COUNTRY.

B. THE INDIVIDUAL TRANSACTION MUST BE ECONOMICALLY SOUND AND, TO THE BEST OF OUR ABILITY, MUST BE JUDGED TO CONTRIBUTE MORE TO THE BUYER AND THE BUYER'S COUNTRY THAN IT WILL REQUIRE TO SERVICE DEBT AND TO REPAY.

C. WE MUST ACHIEVE REASONABLE ASSURANCE OF REPAYMENT IN U.S. DOLLARS.

IN ALL TRANSACTIONS SUBMITTED TO THE BANK, THE APPLICANT, WHETHER HE BE SUPPLIER, BUYER, OR FINANCIAL INSTITUTION, CAN REST ASSURED THAT THE EXIMBANK STAFF, RECOGNIZING ITS ROLE IN TRADE DEVELOPMENT, HAS EVERY DESIRE TO FAVORABLY RESPOND AND WILL DO SO WITHIN ITS RESOURCES AND ABILITIES. FROM TIME TO TIME, THERE MAY NOT BE COMPLETE AGREEMENT

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BETWEEN THOSE OF YOU WHO REPRESENT YOUR COUNTRY'S COMMERCIAL INTERESTS IN THE FIELD THROUGH PERSONAL CONTACT WITH BUYERS AND SUPPLIERS AND THE DECISION MAKERS AT EXIMBANK. ON THE OTHER HAND, FACTORS NOT READILY APPARENT TO YOU FREQUENTLY MUST BE CONSIDERED. IT IS ESSENTIAL, THEREFORE, THAT ALL INVOLVED PARTIES MAINTAIN AN OPEN AND CONSIDERATE POSTURE.

THE CONGRESS, IN ITS MOST RECENT EXTENSION OF EXIMBANK'S AUTHORITY, ADDED A REQUIREMENT THAT EACH SIX MONTHS A MEANINGFUL SURVEY AND EVALUATION MUST BE MADE OF COMPARATIVE TERMS OFFERED BY EXIMBANK VIS-A-VIS THOSE OFFERED BY THE OTHER MAJOR EXPORTING COUNTRIES. WE HAVE COMPLETED THE FOURTH SUCH REPORT. THEY HAVE REVEALED THAT THE

TOTAL "PACKAGE" OFFERED BY EXIMBANK IS FAVORABLY COMPETITIVE WHEN IT REFERS TO AVAILABILITY, LENGTH OF TERMS, COST AND FLEXIBILITY. WHILE WE ARE UNABLE TO PROVIDE THE MOST ATTRACTIVE TERMS ON EVERY TRANSACTION, WE BELIEVE THAT THOSE OF YOU ON THE FIRING LINE CAN PROCEED WITH CONSIDERABLE CONFIDENCE THAT YOU HAVE AN EFFECTIVE AND CONSIDERATE PARTNER IN EXIMBANK.

WE ENCOURAGE YOU TO CALL YOUR PROBLEMS AND YOUR VIEWS TO OUR ATTENTION. WE HOPE THAT YOU WILL CONTINUE TO SUPPLY US WITH ALL AVAILABLE INFORMATION AND THAT WE WILL BOTH ACHIEVE UNDERSTANDING, THEREBY REACHING OUR FULL POTENTIAL OF SERVICE.

THANK YOU SO MUCH FOR YOUR HELP IN THE PAST AND FOR THE EXPECTATION OF EVEN A BETTER DAY IN THE FUTURE. END QUOTE.

SIGNED HENRY KEARNS

2. WE'LL BE GLAD TO CONVEY ANY VIEWS AND REACTIONS TO KEARNS' ATTENTION. ROGERS

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